

201 KAR 11:045. Written offers to be submitted to owner-client, agreements to provide brokerage services, licensee duties.

RELATES TO: KRS 324.160(4)(w)

STATUTORY AUTHORITY: KRS 324.281(5), 324.282

NECESSITY, FUNCTION, AND CONFORMITY: KRS 324.282 authorizes the Real Estate Commission to promulgate administrative regulations to effectively carry out and enforce the provisions of KRS Chapter 324. This administrative regulation establishes standards for licensees who enter into written agreements to provide real estate brokerage services.

Section 1. If a licensee has entered into a written listing agreement or any other written agreement under the terms of which the licensee agrees to provide one (1) or more real estate brokerage services for the owner of the property to be brokered by the licensee, the licensee shall, at a minimum:

(1) Accept delivery and submit to his principal, owner-client, or customer, without delay, all written offers to lease or purchase the real estate that is the subject of the written agreement between the licensee and his principal, owner-client, or customer;

(2) Accept all earnest money deposits that are presented to him or her by other licensees involved in the lease or purchase of the real estate that is the subject of the written agreement between the licensee and his principal, owner-client, or customer;

(3) Assist his or her principal, owner-client, or customer in developing, communicating, negotiating, and presenting offers, counteroffers, and notices that relate to offers and counteroffers that are involved in the lease or purchase of the real estate that is the subject of the written agreement between the licensee and his principal, owner-client, or customer, until a lease or purchase agreement is signed and all contingencies are satisfied or waived; and

(4) Answer his or her principal's, owner-client's, or customer's questions relating to offers, counteroffers, notices, and contingencies that are involved in the lease or purchase of the real estate that is the subject of the written agreement between the licensee and his principal, owner-client, or customer.

Section 2. Each licensee, who represents a prospective purchaser, shall, without delay, submit all written offers to lease or purchase real estate from the licensee's prospective purchaser-client or customer to the owner of the property or to the licensee who has entered into any written agreement with the property owner-client or customer to provide one (1) or more real estate brokerage services for the property owner-client or customer for a fee, compensation or other valuable consideration.

Section 3. Failure to comply with Section 1 or 2 of this administrative regulation shall constitute gross negligence and shall be subject to sanctions under KRS 324.160(4)(w). (KSREC-15 (Rule 31); 1 Ky.R. 596; eff. 4-9-75; Am. 8 Ky.R. 780; eff. 4-7-82; 27 Ky.R. 1505; 2708; eff. 4-9-2001; 31 Ky.R. 1326; 1646; eff. 4-22-05.)